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# Press Release

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## **Public Service Commission Approves Attorney General's Proposed Restrictions On Sale Of Water Company**

On January 3rd, 2003, the West Virginia Public Service Commission approved a multifaceted agreement negotiated by the Attorney General that imposes additional conditions on the acquisition of West Virginia-American Water Company (WVAWC) by Thames Water Aqua Holdings, Inc. As a new condition of the sale, WVAWC gives up any property rights it may have in West Virginia's waters or water resources and forever waives its right to assert any ownership of West Virginia water in the future.

The new conditions preclude WVAWC from using international treaties to challenge or defend against the orders of West Virginia regulatory agencies and from seeking damages or other remedies in international tribunals. These provisions have attracted the attention of international law experts because they provide more protections than any other State involved in the transaction has provided.

The new conditions prohibit WVAWC from selling water outside the State without the consent of the appropriate State agencies, including the Public Service Commission, except to the extent that such sales, in Virginia and Ohio, have already been approved. For all exports, including existing sales, WVAWC will be required to contribute three percent (3%) of its gross revenues to the State's Drinking Water Treatment Revolving Fund as a user's fee. This fund draws a four-to-one federal match and is used to make improvements to the State's publicly-owned water systems. This cost cannot be passed on to WVAWC's West Virginia consumers, either directly or indirectly.

The new conditions also require that any savings resulting from the acquisition be passed on to West Virginia consumers in WVAWC's next rate case. (The Commission had already required such savings to be passed on, but did not insure that this would occur in the next rate case.) Additionally, WVAWC has agreed to increase its contribution to the Helping Hand Program -- a program that helps low-income households pay for water services -- from twenty-five thousand dollars (\$25,000) for each of the next two years to fifty-thousand dollars (\$50,000) for each of the next three years.

Attorney General McGraw stated, "These conditions insure that West Virginia is positioned to control, conserve, and regulate its most precious natural resource, and to enhance the potential for economic benefit to the State."

**Click here to see the Commission's order:** [http://www.psc.state.wv.us/orders/2003\\_01/011691cf.htm](http://www.psc.state.wv.us/orders/2003_01/011691cf.htm)

**Click here to see the new conditions imposed on the sale:** [http://www.psc.state.wv.us/orders/2003\\_01/011691cf.pdf](http://www.psc.state.wv.us/orders/2003_01/011691cf.pdf)

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